SHRI S. S. AHLUWALIA; We are ready to discuss CAG's report on Andhra Pradesh. .. *(Interruption)* .. ,

DR. YELAMANCHILI SIVAJI; I am on a point of order... *(Interruption)* . . .

श्री भजन लाल : गुजरात राज्य के बारे में हमारे पास सूचना आ गई है। जूनागढ़, भड़ौच और कच्छ जिलों में कुल मिला कर तीन लोगों की मृत्यु हो गई। इस प्रकार मरने वालों की संख्या जो मैंने पहले 586 बताई थी अब 589 हो गई है। धन्यवाद।

EMPLOYEES' STATE INSURANCE (AMENDMENT) BILL, 1989

THE MINISTER OF LABOUR (SHRI BINDESHWARI DUBEY): Sir, I beg to move:

> "That the Bill further to amend the Employees' State Insurance Act, 1948, be taken into consideration."

Sir, as the hon. Members are aware, the Employees' State Insurance Act 1948 provides inter alia for grant of cash benefit to the employees in the event of sickness, maternity and employment injury _ In addition, medical care is provided to the insured persons and his or her family. The Act which is applicable, in the first instance, to non-seasonal factories employing 20 or more persons and using power in manufacturing processes is now being gradually extended areawise to certain new classes of establishments in a phased manner. As on 31st December 1988, the Act covered about 61.68 lakh workers and 580 industrial centres in the country. The total number of beneficiaries including the family member", for medical care was 2.73 crores. The Employees'. State Insurance Act was last amended in 1984. One of the major amendments carried out at that time related to raisins; the wage limit for coverage of workers from Rs. 1.000 to Rs. 1,600 per month, However. with the increase in wares, the workers have again started going out of the' coverage and it has become necessary to further increase the wage Limit for coverage of the workers.

There are certain other provisions such as those relating to wage limits for exemption of employees from payment of employees' contribution which requires treble enhancement. Similarly, the rates of various benefits may also have to be periodically enhanced to compensate for rise in cost of living. At present, all these provisions are governed by specific provisions of the Act. Any change in these provisions requires amendment of the Act which ly takes time. It is, therefore, now proposed to provide for prescribing all these matters in the rules so that necessary changes may be effected as and when necessary. The copies of the notifications carrying out amendments in the rules would however, be laid before the Parliament as provided in the Act.

There are two amendments which are of particular interest to the workers. The first of these amendments relates to inclusion of all the children of the insured persons up to the age of 21 years and infirm children without any age restriction. in the definition of family se as to make them eligible for the medical benefits under the Act. At present, medical benefits are available only to minor children, that is, children up to the age of 18 years. The second amendment seeks to provide for continuance of medical benefits to the insured persons who have to leave insurable employment due to employment injury and retired insured persons anj their spouses subject to payment of contributions. At present, medical benefits are available to insured persons only so long as they are in insurable employment.

An important aspect of the administration of the ESI scheme relates to the autonomy of the ESI Corporation which is self-financing. The members of the ESI Corporation, particularly the representatives of the employers and employees, . have been pleading for greater autonomy and freedom of action for the Corporation. Considering the number of person, who contribute to the scheme and the vast amount of funds handled a certain measure of Government control seems to be unavoidable. However, any rigid control of the organisation with a view to safeguarding the. funds and the interests of the'

workers is bound to curb initiative and affect service, The Government has, therefore, after considering all aspects of the matter, decided to confer enhanced powers on the Corporation in the matter of creation of posts, appointment of officers and application of Government rules relating to pay, allowances and other conditions of service to their officers and staff.

It is also proposed to increase the number of representatives of the employers and employees on the Corporation from five each to ten each so as to give them greater representation.

Another major area of concern has been the mounting arrears of ESI dues. Contributions have to be collected from a large number of employers some of whom default in payment of contribution. The Government have been rather concerned about default in payment of contributions. Though small in relation to the total quantum of funds handled, it is large enough in absolute terms to cause anxiety. Defaults may sometimes occur for economic reasons. But all defaults cannot 'be ascribed to this. In some cases in particular, wilful default cannot be ruled out. Whatever be the cause default in payment of contribution by an employer affects the financial position of the Corporation and consequently the grant of benefits to the insured persons. As on 31st March, 1989, the total amount of arrears of ESI dues, including interest, amounted to about Rs.. 116.37 crores. The ESI authorities have been taking all possible legal and penal action for realisation of arrears. But arrears have been gradually mounting. In order to check these trends it is proposed to set up an independent recovery machinery on the lines of the recovery machinery of the Income-Tax Department 'for recovery of the arrears of ESI dues, to plug the loopholes in the existing provisions of the Act and to make the various penal provisions in that more stringent.

These are some of the more important amendments proposed. I hope the Members will welcome the proposed amendments. With these words I commend the Bill for consideration and passing by this august House. Thank you.

The question was proposed,

THE VICE-CHAIRMAN (SHRl V. NARAYANASAMY); The further discussion of this Bill will continue tomorrow.

The House now stands adjourned till 11 A.M, on Thursday, the 27th July,

The House then adjourned at thirtytwo minutes past six of the clock till eleve\n of the clock on Thursday, the 27th July, 1989.